

## 19.705-4 Reviewing the subcontracting plan.

The *contracting officer shall* review the subcontracting plan for adequacy, ensuring that the required information, goals, and assurances are included (see [19.704](#)).

(a) No detailed standards apply to every subcontracting plan. Instead, the *contracting officer shall* consider each plan in terms of the circumstances of the particular *acquisition*, including-

(1) Previous involvement of *small business concerns* as prime contractors or subcontractors in similar *acquisitions*;

(2) Proven methods of involving *small business concerns* as subcontractors in similar *acquisitions*; and

(3) The relative success of methods the contractor intends to use to meet the goals and requirements of the plan, as evidenced by records maintained by contractors.

(b) If, under a sealed bid *solicitation*, a bidder submits a plan that does not cover each of the 15 required elements (see [19.704](#)), the *contracting officer shall* advise the bidder of the deficiency and request submission of a revised plan by a specific date. If the bidder does not submit a plan that incorporates the required elements within the time allotted, the bidder *shall* be *ineligible* for award. If the plan, although responsive, evidences the bidder's intention not to comply with its obligations under the clause at [52.219-8](#), Utilization of *Small Business Concerns*, the *contracting officer may* find the bidder nonresponsive.

(c) In negotiated *acquisitions*, the *contracting officer shall* determine whether the plan is acceptable based on the negotiation of each of the 15 elements of the plan (see [19.704](#)). Subcontracting goals *should* be set at a level that the parties reasonably expect can result from the *offeror* expending good faith efforts to use small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and women-owned *small business subcontractors* to the maximum practicable extent. The *contracting officer shall* take particular care to ensure that the *offeror* has not submitted unreasonably low goals to minimize exposure to liquidated damages and to avoid the administrative burden of substantiating good faith efforts. Additionally, particular attention *should* be paid to the identification of steps that, if taken, would be considered a good faith effort (see [19.705-7](#)). No goal *should* be negotiated upward if it is apparent that a higher goal will significantly increase the Government's cost or seriously impede the attainment of *acquisition* objectives. An incentive subcontracting clause (see [52.219-10](#), Incentive Subcontracting Program), *may* be used when additional and unique contract effort, such as providing technical assistance, could significantly increase *subcontract* awards to small business, small disadvantaged business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, or *women-owned small business concerns*.

(d) In determining the acceptability of a proposed subcontracting plan, the *contracting officer should* take the following actions:

(1) Obtain information available from the cognizant *contract administration office*, as provided for in [19.706\(a\)](#), and evaluate the *offeror's past performance* in awarding *subcontracts* for the same or similar *products* or services to small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business concerns*. If information is not available on a specific type of product

or service, evaluate the *offeror's* overall *past performance* and consider the performance of other contractors on similar efforts.

(2) In accordance with [15 U.S.C.637\(d\)\(4\)\(F\)\(iii\)](#), ensure that the goals offered are attainable in relation to-

(i) The subcontracting opportunities available to the contractor, commensurate with the efficient and economical performance of the contract;

(ii) The pool of eligible subcontractors available to fulfill the subcontracting opportunities;  
and

(iii) The actual performance of such contractor in fulfilling the subcontracting goals specified in prior plans.

(3) Ensure that the subcontracting goals are consistent with the *offeror's certified cost or pricing data* or *data other than certified cost or pricing data*.

(4) Evaluate the *offeror's* make-or-buy policy or program to ensure that it does not conflict with the *offeror's* proposed subcontracting plan and is in the Government's interest. If the contract involves *products* or services that are particularly specialized or not generally available in the commercial market, consider the *offeror's* current capacity to perform the work and the possibility of reduced subcontracting opportunities.

(5) Evaluate subcontracting potential, considering the *offeror's* make-or-buy policies or programs, the nature of the *supplies* or services to be subcontracted, the known availability of small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business concerns* in the geographical area where the work will be performed, and the potential contractor's long-standing contractual relationship with its suppliers.

(6) Advise the *offeror* of available sources of information on potential small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business subcontractors*, as well as any specific *concerns* known to be potential subcontractors. If the *offeror's* proposed goals are questionable, the *contracting officer must* emphasize that the information *should* be used to develop realistic and acceptable goals.

(7) Obtain advice and recommendations from the SBA *procurement* center representative (or, if a *procurement* center representative is not assigned, see [19.402\(a\)](#)) and the agency small business specialist.

**Parent topic:** [19.705 Responsibilities of the contracting officer under the subcontracting assistance program.](#)